

OPT-IN AGREEMENT FOR MORTGAGE LENDERS

MISSISSIPPI DEVELOPMENT AUTHORITY

State of Mississippi

1. Parties. The parties to this Contract are the MISSISSIPPI DEVELOPMENT AUTHORITY, hereinafter referred to as the "Authority", and MORTGAGE LENDER hereinafter referred to as the "Lender."
2. Purpose. The Lender desires to assist and cooperate with the Authority in the implementation of the Community Development Block Grant Program ("Program") to support Mississippi residents who owned property in Jackson, Harrison, Hancock and Pearl River Counties damaged by Hurricane Katrina.
3. Scope of Agreement. The Lender agrees to undertake the actions described in Exhibit "A".
4. Consideration. As consideration for the performance of the actions referred to in Exhibit "A", the Authority agrees to make Lender a co-pay on the check for the grant proceeds.
5. Period of Agreement. This Agreement will become effective on the date this Agreement is executed and remain in effect until December 31, 2006, or until such other time as both parties agree to same in writing.
6. Lender's Role to Third Parties. Notwithstanding anything herein to the contrary, in the event that the Lender is acting in the capacity as loan servicer for a third-party, then nothing contained herein shall obligate the Lender to take any action in violation of any servicing agreement under which the Lender is bound.

In witness whereof, the parties hereto have executed the Agreement on the date indicated below, after first being authorized so to do.

Mississippi Development Authority

DATE

By: _____
TERRI P. HUDSON

Title: DEPUTY DIRECTOR, CHIEF FINANCIAL OFFICER
MISSISSIPPI DEVELOPMENT AUTHORITY

DATE

By: _____
Title _____

EXHIBIT "A"
SCOPE OF AGREEMENT

The Lender will perform the following services upon request of the Authority in fulfillment of the purposes of this Agreement.

1. The Lender agrees to manage the grant closing process for all of its customers whose mortgages list Lender as the first lienholder and who receive grant proceeds under the Program, as follows:
 - A. The Lender will obtain Homeowner's fully executed and notarized Declaration of Covenants Running With the Land – Hurricane Katrina ("Covenant").
 - B. The Lender will require the Homeowner to obtain Subordination Agreements from Lender and all other lienholders identified in the title report supplied to Lender. Nothing herein prohibits the Lender from performing these functions on behalf of the Homeowner. If other lienholders identified in the title report refuse to execute the Subordination Agreements, Lender will forward the Subordination Agreements it has received to the MDA for a final decision.
 - C. The MDA agrees not to hold Lender liable for any actions taken by Lender relating to this Program so long as such actions are taken at the direction of MDA.
 - D. The Lender will obtain Homeowner's fully executed and notarized Subrogation/Assignment Agreement.
 - E. The Lender will obtain Homeowner's execution of the Authorization for Electronic Funds Transfer, if applicable, and The MDA Homeowner Assistance Program Grant Agreement.
2. The Lender will forward the executed documents described above in 1. A through E to the MDA or its designees. MDA or its designees will record the Covenant and Subordinations.
3. The Lender will use the proceeds of the grant funds to first pay (1) any past due installments on the Homeowner's mortgage to Lender, and (2) any ad valorem taxes due and owing on the Property.
4. The Lender will pay the balance of the grant funds to the Homeowner within five (5) business days.